

## LOK SABHA DEBATES

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### LOK SABHA

Friday, August 23 1991/Bhadra 1, 1913 (Saka)

#### **The Lok Sabha met at Eleven of the Clock**

[MR. SPEAKER *in the Chair*]

#### **OBITUARY REFERENCE**

[English]

MR. SPEAKER : Hon. Members, I have to inform the House of the sad demise of one of our former colleagues, Prof. Raja Ram Shastri who represented Varanasi constituency of Uttar Pradesh during 1971-77 (Fifth Lok Sabha).

A well-known educationist, social and political worker, Prof. Shastri was associated with Kashi Vidyapith first in the capacity of Professor and then as Vice-Chancellor during 1964-71. Prof. Shastri was also a member of the University Grants Commission. He was associated with various other social and educational organisations in different capacities.

Prof. Shastri was author of several books. He was awarded prize by the Government of Uttar Pradesh for his works titled 'Samaj Vigyan' and 'Swapna Darshan'.

In recognition of his valuable services in the spheres of education and social welfare he was awarded the 'Padma Vibhushan'.

Prof. Raja Ram Shastri passed away in the Capital on 21 August, 1991 at the age of 87.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

The House may now stand in silence for a short while as a mark of respect to the deceased.

*The Members then stood in silence for a short while.*

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11.03 hrs.

#### **ORAL ANSWERS TO QUESTIONS**

[English]

##### **Export of Tobacco**

\*528. SHRI S. M. LALJAN BASHA : Will the Minister of COMMERCE be pleased to state :

(a) the value and quantity of tobacco exported during 1990-91, Statewise;

(b) the quantity of tobacco proposed to be exported during 1991-92: and

(c) the steps taken by the Government to explore new markets for tobacco export?

**THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM):** (a) to (c) A statement is laid on the Table of the House.

### STATEMENT

(a) As per information furnished by the Tobacco Board, a quantity of 70,375 tonnes of tobacco valued at Rs. 209.16 crores was exported during the year 1990-91. Data regarding exports are not maintained state-wise. However, it may be mentioned that while FCV tobacco is mainly grown in Andhra Pradesh and Karnataka, it is bought by traders in Andhra Pradesh and exported by them. In the case of non-FCV tobacco, which is grown in various parts of country, exports are undertaken mostly by exporters based at Bombay.

(b) Quantity targetted for exports during 1991-92 is 74,000 tonnes (approximately).

(c) There is a campaign against smoking the world over. Promoting exports of tobacco is, therefore, not an easy task. However, efforts are being made to hold on to markets already established and to explore new markets. With this objective in view the Tobacco Board has been sponsoring every year trade delegations, participating in international trade fairs and exhibitions, distributing publicity material in the overseas markets and has also been inviting from time to time trade delegations from abroad and arranging buyer-seller meets.

**SHRI S. M. LALJAN BASHA:** India's share of tobacco exports in the world market has fallen from 30 per cent to 7 per cent. What are the reasons for that? Is it a fact that our share has fallen because of sub-standard export of tobacco from Guntur in the past? If so, what are the details thereof?

**SHRI P. CHIDAMBARAM:** World over there is a campaign against smoking. Promoting export of tobacco, therefore, is not an easy task. I do not think that export of sub-standard tobacco was the reason for the fall in our share. Our share has fallen because other tobacco producing countries have also large exportable surpluses. They are exporting their surpluses. As far as quantities of export are concerned, I think, we have done reasonably well particularly in the last year when we exported almost 7,375 tonnes of tobacco. This year we are planning to export 70,375 tonnes. We are facing an intense competition. But since the prices are very high in the world market today, unit realisation is very high. And I am confident that we will do better in improving our tobacco export. In the first four months of this financial year we have done much better than in the corresponding period last year.

**SHRI S. M. LALJAN BASHA:** Is there any export order for diverting tobacco to Guntur as Guntur produces super quality tobacco?

**SHRI P. CHIDAMBARAM:** Sir, as far as FC Virginia tobacco is concerned, 85 per cent of the production is from Andhra Pradesh and about 15 per cent is from the Karnataka. Now, most of this is exported. I cannot answer each other part of Andhra Pradesh. But, I assume that Guntur is one of the major tobacco producing

centres. Guntur gets a substantial share of this benefit. Most of the virginia tobacco is being exported and the whole of India is benefitted from this export.

**SHRI SOBHANADREESWARA RAO VADDE :** Sir, the hon. Minister in his reply has stated that while during 1990-91 a quantity of 70,375 tonnes of tobacco was exported and this year the target is 74000 tonnes, an increase of 4 million kgs. Is the Minister aware of the fact that while the tobacco Board has fixed a target of production of 120 million kg for the year 1991-92, the Production Committee has enhanced it to 145 million kg whereby the interest of farmers is going to suffer and only traders are going to get benefit? Last year, they paid Rs. 33 per kg, an average price. The traders have brought a lot of pressure on the Tobacco Board as well as on the Production Committee to increase the quantity of tobacco to be produced which is detrimental to the interests of the farmers. Will the Government reconsider and take appropriate steps to see that this original target of 120 million kgs is adhered to? The original target itself is quite high when compared to the previous production. I would like to know from the hon. Minister whether the Government will consider a proposal to set up a Tobacco Trading Corporation just on the lines of Tea Trading Corporation to purchase tobacco mainly to take care in times of distress of the interests of the tobacco growers and export tobacco abroad? I also want to know will the Government think of imposing 1 paisa per kg market cess and matching amount from the farmers and matching amount from the Government as a revolving fund for the operation of Tobacco Trading Corporation, which may be set up.

**SHRI P. CHIDAMBARAM :** Sir, the hon. Member has raised a very interesting question. Today, as far as FC virginia tobacco is concerned, after the grower applies to the Tobacco Board for growing tobacco on his farm, he gets the licence. A large number of farmers apply to the Tobacco Board for growing tobacco on their farms. I am sure the farmer would take care of his interests while applying. It is not, therefore, correct to say that somebody is forcing a farmer to grow tobacco. Farmer is coming forward to grow tobacco. On the other hand, the point the hon. Member has made that we should ensure that the unit value does not come down is well taken. But, kindly look at the unit value last year and this year. In 1988, 1989 and 1990 the unit value per kg was Rs. 16.33, Rs. 16.59 and Rs. 14.09. This year thanks to the auction system it has gone up to Rs. 33.00. Now, this high price is indeed very good for the tobacco grower. It is also good for the country which wants more export. But, one cannot say in terms of intense competition in the world that the price would always remain at Rs. 33.00. We have to balance the interests of the farmers who want to grow tobacco. We have to balance the interests of the whole growing community to see that the unit prices do not come down. We have to take into account the interests of the country which requires more foreign exchange. We will keep all this in mind before we finally decide on this aspect.

**SHRI SOBHANADREESWARA RAO VADDE :** What about Tobacco Trading Corporation?

**SHRI P. CHIDAMBARAM :** I am coming to that.

When we decide finally, we will keep all these in mind. I do not think that there is one interest which has to be advanced and another interest which has to be sacrificed. I do not think that is your intention either.

As far as Tobacco Trading Corporation is concerned, there is no proposal at present. In fact, if you want to compare it with the Tea Trading Corporation, I do not want the unhappy experience of Tea Trading Corporation to be repeated with the proposal of the Tobacco Trading Corporation. I think today the system is very good. We have an auction system which gets the high unit price. If necessary, we will consider it at some future date.

**SHRI UMMAREDDY VENKATESWARLU :** Sir, recently, during the last month, a seminar seems to have been held, discussing about the health and the tobacco production and tobacco chewing, and after that, the hon. Minister of State for Commerce has endorsed the view that the area under tobacco will be reduced. I would like to know whether it is a fact that the Government is having a proposal to reduce further the area under tobacco that is going to be grown in the country. Just now my hon. friend has said that already the target is to produce 120 million kilograms.

*(Interruptions).*

**MR. SPEAKER :** What is your question ?

**SHRI UMMAREDDY VENKATESWARLU :** I know the export is only 74 thousand tonnes. So, I would like to know whether it is a fact that the area is going to be reduced, as has been endorsed by the hon. Minister of State earlier.

**MR. SPEAKER :** Mr. Venkateshwarlu, you ask the question please.

**SHRI UMMAREDDY VENKATESWARLU :** Yes, Sir, I have asked the question.

**MR. SPEAKER :** All right, Mr. Minister may reply.

**SHRI P. CHIDAMBARAM :** Sir, I have never made a statement that the area under tobacco should be reduced. I do not know which statement or which Minister of State he is referring to.

**SHRI NANI BHATTACHARYA :** Sir, will the Minister tell whether the grass-root level farmers are getting that unit price of tobacco ? Actually this is the auction unit price that you have stated but as far as I know from my personal experience in Cooch Behar, the tobacco growing district, there the tobacco cultivators or farmers have to sell their produce at a very low rate. Will the Minister enquire about it and amend the Position ?

**SHRI P. CHIDAMBARAM :** Sir, all that I have heard and gathered, including from hon. Members from Andhra Pradesh, is that the auction system has come as a great boon to the tobacco growers. It is because of the auction system that the unit prices have gone up. If the hon. Member has any particular instance in mind or any particular example, I will certainly look into that. I think the hon. Member's neighbour is nodding his head in approval. So, I think this auction system has brought benefit to the tobacco growers.

**SHRI DATTATRAYA BANDARU :** Mr. Speaker, Sir, I would like to know whether it is a fact that coun-

tries like China have broadlisted some of the Indian companies, particularly in Guntur in Andhra Pradesh.

**SHRI P. CHIDAMBARAM :** Sir, I do not have the information with me. I can collect it and give it to my friend.

[Translation]

### **Delhi Transport Corporation Employees**

**\*529 SHRI GAYA PRASAD KORI :** Will the Minister of SURFACE TRANSPORT be pleased to state :

(a) the total number of employees working in the Delhi Transport Corporation;

(b) whether the Government are formulating any scheme for privatisation of D. T. C.; and

(c) if so, what will be the fate of the employees after privatisation?

[English]

**THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER) :** (a) There are 41253 employees working in the Delhi Transport Corporation.

(b) No, Sir.

(c) Does not arise in view of reply to (b) above.

[Translation]

**SHRI GAYA PRASAD KORI :** I would like to know the number of temporary and permanent employees, separately.

[English]

**SHRI JAGDISH TYTLER :** Well, Sir, I would like to inform the Member

that I do not have this information just now. I thought that the hon. Member was more concerned with many more important things than this. But I would like to inform him that I do not have the figures as to how many are permanent and how many are temporary.

[Translation]

**SHRI GAYA PRASAD KORI :** I am asking the number of temporary employees, whose services are yet to be confirmed.

**SHRI JAGDISH TYTLER :** I do not have the information with me now.

**SHRI GAYA PRASAD KORI :** Are the same facilities provided to temporary employees which are given to permanent employees ?

[English]

**SHRI JAGDISH TYTLER :** Sir, as per the D.T.C. rules, they are getting all the facilities. I would like to inform that these are mere technical things which are given in the agreement which they sign with the D.T.C.

[Translation]

**SHRI MADAN LAL KHURANA :** Mr. Speaker, Sir, the Hon. Minister said just now that there is no likelihood of privatisation. Mr. Speaker, Sir, I believe it is being done through backdoor. Just now the hon. Minister made a statement that permits are being issued for 3,500 private buses. In the Executive Council of Delhi Administration when the agreement was in the offing, a proposal was passed three years ago which said that this kind of privatisation would be allowed in Delhi. Since S. T. A. is a